

STATE OF MICHIGAN  
DEPARTMENT OF COMMERCE  
CORPORATION AND SECURITIES BUREAU

In the Matter of:

Professional Limited Liability  
Companies

\_\_\_\_\_ /

EXEMPTION ORDER

WHEREAS, on June 1, 1993 the Michigan Limited Liability Company Act, 1993 PA 23 (the "LLC Act") became effective; and

WHEREAS, Section 903(l) of the LLC Act permits two or more licensed persons to organize and become members of a professional limited liability company; and

WHEREAS, Section 904(l) of the LLC Act states that "Except as otherwise provided in subsection (2) or otherwise prohibited by law, a professional limited liability company may render 1 or more professional services, and each member and manager must be a licensed person in 1 or more of the professional services rendered by the company"; and

WHEREAS, the Michigan Corporation and Securities Bureau (the "Bureau") has received several inquiries from interested parties concerning the applicability of the Michigan Uniform Securities Act, 1964 PA 265, as amended (the "Act"), to the offer and sale of membership interests in a professional limited liability company; and

WHEREAS, pursuant to Section 1103 of the LLC Act the offer and sale of interests in a limited liability company may constitute the offer and sale of a security; and

WHEREAS, Section 902(b) of the LLC Act provides that professional services to be rendered by the members, managers, employees, and agents of a professional limited liability company formed under the LLC Act include services rendered by certified or other public accountants, chiropractors, dentists, optometrists, veterinarians, osteopaths, physicians and surgeons, doctors of medicine, doctors of dentistry, podiatrists, chiroprodists, architects, professional engineers, land surveyors, and attorneys-at-law; and

EXEMPTION ORDER  
PAGE TWO

WHEREAS, this Exemption Order will be limited to the offer and sale of membership interests of professional limited liability companies that are formed to render the professional services specifically described in Section 902(b) of the LLC Act; and

WHEREAS, all other professional limited liability companies must request a separate exemption order under Section 402(b)(20) of the Act; and

WHEREAS, the Bureau finds the issuance of this Order necessary or appropriate in the public interest or for the protection of investors and is consistent with the purposes fairly intended by the policy and provisions of the Act.

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to Section 412(a) of the Act, that any transaction involving the offer and sale of a membership interest in a professional limited liability company formed under the Michigan Limited Liability Company Act, and to provide professional services, as specifically described in Section 902(b) of the LLC Act is exempt from the registration provisions of the Act.

IT IS FURTHER ORDERED, that Section 101 of the Act will apply to the extent that such membership interests are deemed to be securities under the Act.

Signed by Carl L. Tyson, Director  
Corporation and Securities Bureau  
6546 Mercantile Way  
P.O. Box 30222  
Lansing, Michigan 48909

Dated: March 24, 1994  
Lansing, Michigan